



U.S. Department
of Transportation
**Maritime
Administration**

Deputy Administrator

1200 New Jersey Avenue, SE
Washington, DC 20590

MAR 26 2009

Members of the Class of 2009
U.S. Merchant Marine Academy
Kings Point, NY 11024-1699

Re: U.S. Merchant Marine Academy Graduates' Service Obligation

Dear Midshipman:

In a few months, you will be graduating and joining the distinguished ranks of Kings Point alumni. Congratulations on your accomplishment. As you begin your career, you must keep in mind that you are the recipient of a world-class education paid for by the American people. Therefore, now is an appropriate time to review your service obligations.

As you will recall, upon entering the United States Merchant Marine Academy (USMMA), you signed an agreement (the "Service Obligation Contract") mandated by statute committing you to certain maritime service obligations following graduation. 46 U.S.C. § 51306. This statutory requirement is restated in the Maritime Administration's regulations (46 CFR § 310.58) and in the Service Obligation Contract.

Your service obligation covers four elements: employment, maintaining your U.S. Coast Guard (USCG) license, a commission in a reserve component in one of the armed services, and reporting your compliance. It is important to note that if you are not completing every element of your obligation, you are not compliant. Failure to comply with your service obligation may result in induction into the U.S. armed forces or having to repay the cost of your Academy education. For those of you graduating in four years, the cost of education provided at the USMMA and that you would have to repay is approximately \$213,498.

Here are some details on fulfilling your obligation in each of these categories.

(1) Employment: You must serve in the foreign or domestic commerce, or the national defense of the United States for at least five (5) years following graduation as: (A) a merchant marine officer in the U.S. flag fleet; (B) a commissioned officer on active duty in the armed services or National Oceanic and Atmospheric Administration (NOAA) Corps; (C) with the Federal Government in a maritime-related position that serves the national interests; or (D) in a U.S. maritime related industry, profession or marine science, if a determination has been made that no afloat officer positions in the U.S. flag fleet are available to you.

The primary objective of the USMMA is for you to obtain USCG-licensed employment afloat as an officer in the U.S. Merchant Marine. (For the purposes of this document, the "U.S. Merchant Marine" is defined to include service on any of the following vessels: deep sea; Military Sealift Command, coastal and inland carriers; tugs and towboats; passenger ships; offshore energy ships, platforms, and drilling units; and other U.S.-registered vessels, documented or undocumented.)

You may also accept positions as active duty commissioned officers in the U.S. Armed Forces or with the NOAA Corps. Kings Point graduates serve in all branches of the U.S. Armed Forces and this is an excellent way to fulfill your service obligations while contributing directly to the Nation's security. We believe that these two career paths are the best avenues of fulfilling your employment obligation. Five years service on active duty in the armed forces of the United States fulfills all service obligations, including those requirements relating to Coast Guard licensing.

Only if you are unable to meet your service obligation as a U.S. merchant marine officer and if you are granted a waiver based on an appropriate determination, may you fulfill your obligation by service in Qualified Maritime Related employment on a foreign-flag vessel (as defined below) or otherwise by qualified work ashore. Satisfaction by employment ashore will be granted only in the most unusual cases.

(2) Maintaining your license: You must maintain your license as an officer in the merchant marine of the United States, including all endorsements held at graduation and Standards of Training, Certification and Watchkeeping (STCW) mandated requirements, for six (6) years following graduation. You must renew or upgrade your license once. There is no grace period. All mariners are required to hold a Transportation Worker Identification Credential (TWIC) in order for their license, Merchant Mariner Document (MMD), Certificate of Registry (COR), or Standards of Training, Certification and Watchkeeping for Seafarers (STCW) endorsement to remain valid. Failure to obtain a TWIC by the deadline will mean you are NOT maintaining your license. Mariners may pre-enroll for their TWIC on the Transportation Security Administration's (TSA) website (www.tsa.gov/twic).

(3) Reserve Commission: If you are not on active duty, you must apply for and accept, if tendered, an appointment as a commissioned officer in the reserves of the Armed Forces of the United States. The Maritime Administration obligation requires maintaining your commission for at least six (6) years after graduation. Graduates are also strongly encouraged to join a reserve component of any of the armed services as a Selective Reservist (SELRES).

If you have elected to request a recall to active duty in one of the Armed Forces and your request is approved, your service on active duty will satisfy this requirement as well as the employment requirement described above.

(4) Reporting Your Compliance: Once you graduate, you will need to follow the procedures from both the Maritime Administration (acting through the USMMA) and Department of Defense (DoD) to report compliance with both the Maritime and Military Service Obligations.

(a) Maritime Service Obligation: Graduates are required to submit their maritime service obligation reports directly to the USMMA Department of Professional Development and Career Services (USMMA DPDCS). Each annual report shall demonstrate that all elements of your maritime service obligation have been satisfied for the reporting period. Reports shall be filed between January 1 and March 1 of each year, example as follows:

For graduates between 6/18/09 – 12/31/09: submit first report between 1/1/2010 and 3/1/2010; and between January 1 and March 1 every year thereafter until all service obligations are fulfilled.

You are required to submit your reports using the web-based "Maritime Service Compliance System" (MSCS) at <https://mscs.marad.dot.gov>. In the event you are unable to access the on-line reporting system, you shall contact the USMMA DPDCS via phone at 516-773-5100 or 516-773-5518 or 516-773-5293 or via email at serviceobligation@usmma.edu for further instructions.

(b) Military Reserve Service Obligation: Your military reserve service obligation is reported using the same form used to document your Maritime Service Obligation. At present, the electronic submission of your report, as described above, does not satisfy your military reporting requirement. Annually, prior to 31 March, you are required to forward a printed copy of your completed report to the Merchant Marine Program Office at the following address:

COMNAVRESFOR (N 14)
MMR Program Office
4400 Dauphine Street
New Orleans, LA 70146-5 100

Employment Other Than as a USCG-Licensed Officer in the U.S. Merchant Marine or the U.S. Armed Forces or NOAA Corps.

You need not notify the USMMA prior to accepting USCG-licensed employment afloat in the U.S. Merchant Marine (see definition on page I), or accepting an active-duty commission as an officer in the U.S. Armed Forces, or with the NOAA Corps. In all other cases, you will need to submit a determination application.

The Maritime Administration anticipates that there will be opportunities for afloat employment in the U.S. Merchant Marine upon your graduation from the USMMA. A determination that qualified afloat employment is not available will be made where there is a clear indication that you have actively sought and been unable to obtain afloat employment. You must work with the USMMA DPDCS to request a determination for any employment other than as a seagoing licensed officer in the U.S. Merchant Marine, U.S. Armed Forces, or NOAA Corps. The initial step is to request a meeting with USMMA DPDCS to discuss your employment situation and begin the process of filing the determination application form.

The determination application requires that you provide information concerning your efforts to seek qualified afloat employment. You are also required to provide the following information on the employment offer you wish to accept: the title of your prospective job; a description of your prospective duties; a written job offer from your prospective employer; whether your prospective employer is a federal, state or private entity; and how the position is significantly maritime-related. Based on your submission, the USMMA DPDCS will make a determination if it fits one of these categories:

a. Seagoing Employment on a Foreign Vessel or as an Unlicensed Person on a U.S. Vessel:

You may satisfy your employment obligation if you obtain Qualified Maritime Employment on a vessel not registered in the United States or any U.S. registered vessel, whether documented or undocumented with the U.S. Coast Guard. Whether such employment constitutes Qualified Maritime Employment requires a determination by the Maritime Administration. Without a determination, such service does not satisfy your service obligation. "Qualified Maritime Employment" is employment in the navigation or engineering departments (or their functional equivalents aboard vessels without deck and engineering departments). Only licensed or unlicensed vessel operating positions can serve as Qualified Maritime Employment, i.e., mate, engineer, wiper, able bodied or ordinary seaman, etc.

b. Employment with the Federal Government and the Required Determination: You may accept maritime-related employment with the Federal Government if that employment serves the national security interests of the United States. Whether such employment qualifies to satisfy your employment obligation requires a determination by the Maritime Administration. To qualify, such employment must be significantly maritime-related and serve the national security interests of the United States.

c. Employment Ashore and the Requirement of a Determination of No Afloat Positions: You may satisfy your employment obligation if you obtain employment in a United States maritime-related industry, profession, or marine science. The employment described in this paragraph will satisfy your employment service obligation only if the Maritime Administration has determined that Qualified Maritime Employment afloat is not available to you. Without such a determination, acceptance of any ashore employment will not satisfy your service obligation and may constitute a default under the terms of your Service Obligation Contract.

Acceptable maritime-related shoreside employment means a job or position that is significantly maritime-related. Qualifying maritime-related civilian positions may be considered in private industry, such as deep sea steamship companies, stevedoring companies, vessel chartering and operations, cargo terminal operations, naval architecture firms, shipbuilding and repair companies, state agencies involved in maritime affairs, municipal and state port authorities, port development and marine engineering firms, offshore energy companies, and inland or coastal tug and towing companies. Additional information is available from the USMMA DPDCS.

If the Academy recommends approval, your request will be sent to the Maritime Administration in Washington, D.C. for final action. If disapproved, you will be notified along with the reason.

You have a right to appeal all disapprovals to the Maritime Administrator. All decisions by the Maritime Administrator are final.

If a determination is approved by the Maritime Administration, you will receive a determination letter agreement that must be signed by you and returned to the Maritime Administration before it will be effective. The determination letter agreement will indicate the duration for which it is valid and will provide other terms and conditions including your obligation to request a renewal of the determination approval under certain circumstances.

If you remain in the same position with the same employer, you will need to certify this fact in your annual maritime service obligation compliance report to the USMMA DPDCS to obtain a renewal of your determination for another year. If you change positions with your existing employer, you will need to certify this fact and provide additional information to the USMMA DPDCS demonstrating that your position continues to be significantly maritime-related. If you change employers, you will need to seek an entirely new determination prior to accepting new employment.

Individuals who have difficulty obtaining Qualified Maritime Employment or who have questions regarding compliance with their Service Obligation Contracts may obtain continued assistance by contacting the USMMA DPDCS.

The Maritime Administration takes fulfillment of your service obligation seriously, and has recently pursued legal action against several graduates who failed to meet their service obligations in order to recoup the cost of their education. Failure to comply with all of your statutory obligations may result in your involuntary recall to active duty, in one of the Armed services of the United States, as determined by the Secretary of Defense, or a requirement to repay the Federal Government for the cost of your education. Again, current estimates place the cost of four years of education at the USMMA at approximately \$213,498.

The United States Merchant Marine Academy has a long tradition of producing maritime leaders and you can be proud that you will soon be joining our alumni family. I look forward to having you join the maritime industry and Armed Forces of our Nation. Congratulations and best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read "James E. Caponiti", written in a cursive style.

James E. Caponiti
Acting Deputy Maritime Administrator